

PART 934—OPERATIONS OF THE BANKS

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AUTHORITY: 12 U.S.C. 1422a, 1422b, 1431(g), 1432(a), and 1442.

SOURCE: 43 FR 46841, Oct. 11, 1978. Redesignated at 54 FR 36759, Sept. 5, 1989, unless otherwise noted.

§ 934.1 Investments.

(a) Banks may acquire or dispose of securities with prior approval of the Board or its designated representative or in conformity with:

(1) Authorizations of the Board or such representative or (2) stated Board policy. A Bank's board of directors may authorize Bank officer(s) to acquire or dispose of securities qualifying as liquidity for deposits under the investment policy of the Board as in the judgment of the officer(s) is necessary in the operation of the Bank. Any other acquisition or disposition must be authorized in advance by a majority of the board of directors, executive committee, or investment committee consisting of three or more persons a majority of whom are directors of the Bank. Single acquisitions or dispositions may be so authorized, or acquisitions and/or dispositions of securities of a stated amount maturing within specified dates as in the judgment of the officer(s) designated in the authorization are necessary in the operation of the Bank, may be so authorized, for periods of 90 days or less.

(b) Compliance with sections 11 and 16 of the act shall be determined based

on the principal amount of obligations of the United States.

(c) Secured advances to members maturing within five years are investments in compliance with section 11(g) of the Act.

(d) Cash reserves may be held temporarily, awaiting investment opportunity, without violating section 16 of the Act.

[43 FR 46841, Oct. 11, 1978, as amended at 49 FR 34198, Aug. 29, 1984. Redesignated at 54 FR 36759, Sept. 5, 1989]

§ 934.2 Loans guaranteed under the Foreign Assistance Act of 1961.

With prior approval of the Board, a Bank's board of directors may authorize it to acquire, hold, or dispose of any of the following loans, or interests therein, primarily to facilitate acquisition of participation interests in such loans by members authorized to make such investment:

(a) Housing project loans with any guaranty under section 221 of the Foreign Assistance Act of 1961, as in effect before December 30, 1969;

(b) Loans with any guaranty under section 224 of such Act, as in effect before December 30, 1969; or

(c) Loans with any guaranty under section 221 or 222 of such Act, as in effect after December 29, 1969.

Prior approval of the Board is not required to repurchase a participation interest previously sold to a member.

§ 934.3 Transfer of funds between Banks.

Interbank borrowing shall be through unsecured deposits bearing interest at rates negotiated between Banks. If agreement on terms cannot be reached, the Board may establish terms.

[43 FR 46841, Oct. 11, 1978. Redesignated at 54 FR 36759, Sept. 5, 1989, and amended at 55 FR 2229, Jan. 23, 1990]

§ 934.4 Deposits in banks or trust companies.

For purposes of section 11(g) of the Act, the term "deposits in banks or trust companies" means:

- (a) A deposit in another Bank;
- (b) A demand account in a Federal Reserve Bank; and
- (c) A deposit in, or a sale of federal funds to: